

BUSINESS PLAN

CGM Luxury Suites (PTY) Ltd



Constance Mapiye, Owner

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1. EXECUTIVE SUMMARY

1.1 Product

CGM Luxury Suites (PTY) Ltd will provide luxurious yet affordable accommodation in the form of 1 or 2 bedroom bachelorette suites. Our rates will be very difficult to beat and inte

1.2 Customers

The target audience for CGM Luxury Suites (PTY) Ltd would schooling or working single professionals, aged between 18 and 35 years old, looking for accommodation within 30 to 45 minutes commute radius to their tertiary institution or work place. They should be able to afford about P1,500 to P2,000 a month as rent plus transportation of P500.00.

1.3 What Drives Us

The mission of CGM Luxury Suites (PTY) Ltd is to buy and develop rundown residential plots in Metsimotlhabe and although this is a highly competitive business, we believe that there is a place for luxurious yet affordable accommodation in Metsimotlhabe. Our goal is to continuously buy and develop property at a profit and provide unsurpassed service to our clients.

2. COMPANY DESCRIPTION

2.1 Mission Statement

The mission of CGM Luxury Suites (PTY) LTD is to buy and develop rundown residential plots in Metsimotlhabe. The company will provide luxury yet affordable accommodation to young schooling or working bachelor professionals, looking for accommodation within 30 to 45 minutes commute radius to their tertiary school or work place. The target age is 18 to 35 years of age and they should be able to afford about P1,500 to P2,000 a month as rent plus transportation fee of P500.00.

2.2 Principal Members

CGM Luxury Suites (PTY) Ltd is a newly formed company owned and run by Constance Mapiye since its inception in Dec-2012. Constance Mapiye has immense experience in Real Estate and Property Development. She has worked for JJ Real Estates as

2.3 Legal Structure

CGM Luxury Suites (PTY) Ltd is a sole proprietorship

3. MARKET RESEARCH

3.1 Industry

Accommodation in places in and around Gaborone City area is expensive and not affordable to the 18-35 year old schooling and/or working bachelor professionals the company intends to service. The high rates are due to security, scarcity of such high class apartments, proximity to the city center and availability of public transport. Metsimotlhabe is a prime area yet under-developed and many Real Estate companies have not yet had an opportunity to buy land and turn it into a residential establishment like in Gaborone and surrounding areas.

An opportunity exists here for CGM Luxury Suites (PTY) LTD to be the first and dominate this market in Metsimotlhabe. The company has a unique advantage in that the owners of the company are residents of Metsimotlhabe and know a lot of people who wish to sell their rundown plots. Most of these people own more than one plot and some have no funds to completely develop other existing plots. The company will come with a proposal to the residents to sell their plots. In fact 2 people have already been approached and have agreed to sell their plots to CGM Luxury Suites (PTY) LTD.

This is the advantage that CGM Luxury Suites (PTY) LTD has over other property developers and there is no new land in the area to be applied for in the next 20 years. So the only land available is when the owner is willing to sell and the company has a shortlist of willing sellers.

3.2 Customers

CGM Luxury Suites (PTY) LTD intends to target 18-35 year old schooling and/or working bachelor professionals who are able to afford about P1,500 to P2,000 a month as rent plus transportation fee of P500.00.

Our research has shown that every year tertiary institutions release over 10,000 graduates, 30% of which get employment in Gaborone with no proper accommodation for them. Again every year the government sponsors over 6,000 school leavers to start their tertiary education and the tertiary institutions do not

provide accommodation for these students.

At the moment available accommodation is either expensive for them. Less than 40% is able to get proper accommodation that meets their standards while over 60% is left to compromise by staying in crowded high security risk areas or stay about 60 minutes drive from Gaborone.

The company intends to tap into this market and claim 2% to 5% by starting to provide accommodation to 30 individuals as the business starts.

3.3 Competitors

3.4 Competitive Advantage

CGM Luxury Suites (PTY) LTD intends to dominate this market by providing a better service to its tenants.

- The bachelorettes will be at least 40% cheaper than similar ones in areas surrounding Gaborone.
- A 1-bedroom suite will cost P1,500.
- A 2-bedroom suite will cost P2,000.
- Security, car wash, garden and laundry services will be provided with minimal charges.

Though this window of opportunity maybe temporary CGM Luxury Suites (PTY) LTD intends to exploit it fully by dealing reliably with plot owners and providing tenants with good service.

Being not the only company targeting this segment explained above, CGM Luxury Suites (PTY) LTD has an unfair advantage over its competitors in that they still use

traditional methods to find clients. CGM Luxury Suites (PTY) Ltd will be using the internet and will have a company website to collect potential client details, as explained above, and deal with only those clients that are qualifying and interested in renting the company suites. Our competitors have not yet taken the advantage of the internet especially in collecting clients' data in way that it benefits the business.

In addition the company will be providing far cheaper and affordable accommodation than the competitors. Our prices will be 30% to 40% cheaper than those of our competitors and yet still be able to provide luxury and other services for “free” to our clients.

3.5 Regulations

4. PRODUCT/SERVICE LINE

4.1 Product or Service

CGM Luxury Suites (PTY) LTD will renting 1 and 2 bedroom bachelorettes suites to schooling and working professionals aged between 18 and 35 years.

4.2 Pricing Structure

Single bedroom suites will be P1,500 and 2-bedroom suites will be P2,000.

4.3 Product/Service Life Cycle

4.4 Intellectual Property Rights

4.5 Research & Development

Constance Mapiye, the owner has worked in the real estate and property development industry for over 10 years and in this period she has studied and tracked trends in this market. She has worked for 4 companies and in the last 2 she was sub-contracted to look for clients who were interested in renting or purchasing houses.

She was then running a private website created solely to find clients where she would collect the details of the interested and potential clients via a web-form at her website. The details collected were; full name, email address, telephone number, occupation (to state whether student or employee and if employee type of employment was asked for), earnings per annum, price range of the rent or purchase price, age, gender. These potential clients were encouraged to fill in these details with promise that should what they are looking come out they will qualify

for a 20% discount in the first month.

Every week the website was updated with available house for rent or purchase and it had regular interested visitors. This way the owner was able to establish that there is demand for accommodation and the price range people can afford. It was realized that the target market this business intends to sell its services to is stranded and in dire need of help.

5. MARKETING & SALES

5.1 Growth Strategy

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5.2 Communication

5.3 Prospects